DS-362

SEPTEMBER 1976

DAIRY Situation

ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

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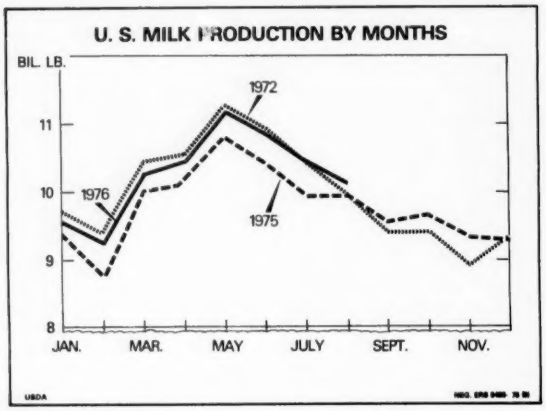
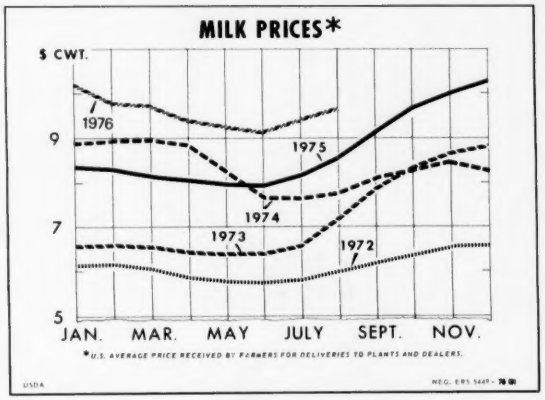


Figure 1



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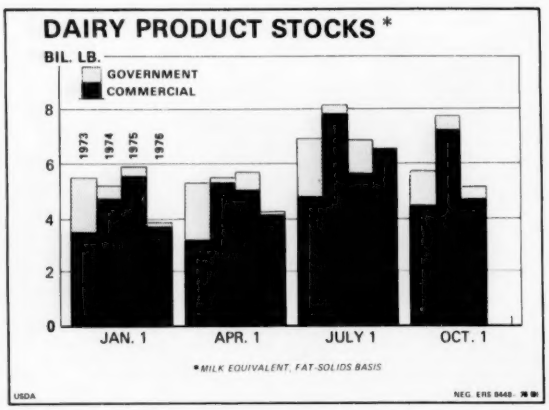

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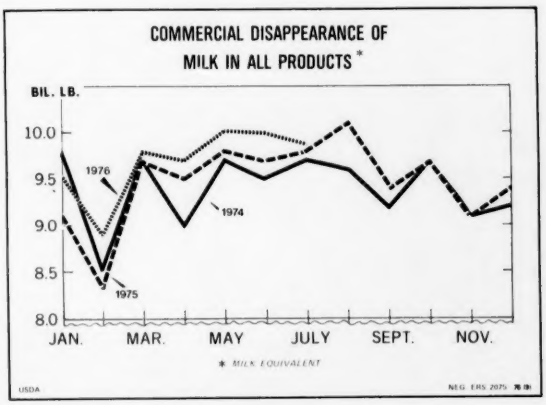

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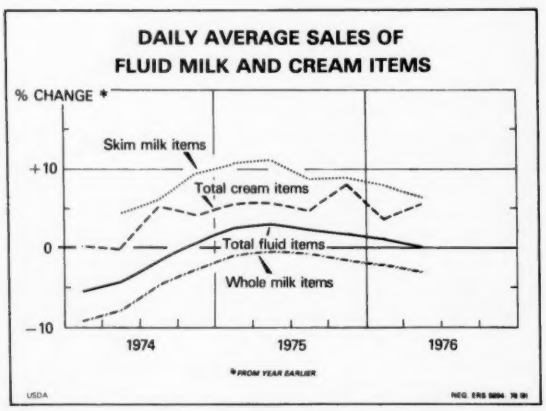

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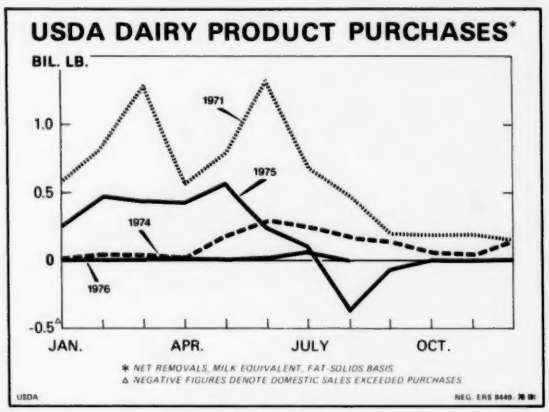

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Principal Contributors:
James J. Miller
Charles N. Shaw

Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

SUMMARY

After rising quite sharply in June and July, wholesale butter and cheese prices dropped in late August. By early September, wholesale butter prices had lost 14 cents of the earlier 18 cents-per-pound rise and American cheese prices lost 7-9 cents of their 13-cent rise. The drops were triggered by a summer surge in the output of these products. The wholesale markets will remain unsettled until supply-demand prospects for milk and dairy products in late 1976 become somewhat clearer.

Farm milk prices rose a substantial 56 cents per 100 pounds between June and August, on the basis of the June-July rises in wholesale prices. Farmers received an average $9.67 in August, up more than $1 from 1975. Although early fall price increases could be quite small, average milk prices might again reach the $10 level later this year.

Cash receipts from dairying in July-August were up about a sixth from 1975, as both farm prices and marketings were considerably higher. The increase in gross dairy income from a year earlier easily exceeded the rise in production costs. For all of 1976, cash receipts could reach $11 billion, up from $9.9 billion last year.

Gains from a year earlier in milk output accelerated in August and 1976 production could be up 3 percent from 1975, the sharpest rise in over a quarter century. Milk-feed price relationships now in prospect likely will keep output above last fall, but the rate of year-to-year gains may narrow to 2 percent or less by the end of 1976.

After about a year of heavier concentrate feeding, sharp boosts from a year ago in milk production per cow led to a more-than-5-percent increase

The *Dairy Situation* is published in March, May, July, September, and December

in milk production during July-August. Relatively favorable prospects for milk production and the continued large numbers of heifers entering the milking herd have kept the declines in milk cow numbers fairly small.

Over 6 percent more milk went into manufactured dairy products in June-July than a year ago. Most of this increase was used for cheese production, which jumped sharply. However, supplies of milkfat were sufficient by July to allow butter output to rise above a year earlier for the first time in 15 months. Production of nonfat dry milk also moved slightly above a year ago in July.

Combined sales of milk and other dairy products stayed well above the year-earlier volume this summer, although some slowing may have begun. Cheese sales continued to set the pace while fluid sales about equaled last year's brisk levels. Sharp drops in retail sales, triggered by higher prices, kept total butter sales below 1975, but they were the same as the 1970-74 average. Fairly strong dairy sales are expected during the rest of the year.

In July, retail prices of dairy products were up almost a tenth from 1975, although they had been stable or declining since early 1976. Retail dairy prices likely will rise this fall and winter, but these increases are unlikely to match the rapid pace of a year ago.

Commercial stocks of dairy products had grown to 6.9 billion pounds milk equivalent by August 1, up a fourth from last year's inadequate levels. Butter and cheese in commercial hands were both well above a year earlier. While holdings of dairy products were not burdensome, they probably will be sufficient to meet commercial needs rather handily in coming months.

Drought conditions have caused a dramatic turn-around in milk output in Western Europe, as July production in many countries fell below a year earlier. However, very large increases earlier in the year probably will outweigh declines expected during the rest of 1976 and have resulted in heavy stocks. U.S. imports of dairy products this summer were somewhat above the reduced levels of 1975 but close to the early 1970's.

SUPPORT PRICE RAISED

USDA recently announced that the support price for manufacturing grade milk will be raised to $8.26 per 100 pounds on October 1. This is 80 percent of expected parity on October 1. Proportionally larger increases in support purchase prices for butter and Cheddar cheese will be made to provide greater assurance that the farm price of manufacturing milk will equal the announced $8.26 level. The new support purchase prices will be 92 ¾ cents per pound for butter in New York and 92.5 cents per pound for Cheddar cheese. The support purchase price for nonfat dry milk will remain unchanged at 62.4 cents per pound.

DAIRY SITUATION

SITUATION AND OUTLOOK

PRODUCTION

Milk Output Heavy

Milk production in August was almost 6 percent above a year earlier, after an almost 5-percent rise in July. The August increase was the eleventh straight month of expanding milk output. During January-July, seasonal changes closely paralleled 1974, with output generally 2½-3 percent above. The August output was particularly significant since it was more than 4 percent larger than 1974.

U.S. milk production

Month	1975	1976	Change
	Million pounds	*Million pounds*	*Percent*
January	9,379	9,545	+1.8
February	8,781	9,248	+5.3
March	10,021	10,250	+2.3
April	10,121	10,450	+3.3
May	10,818	11,184	+3.4
June	10,435	10,865	+4.1
July	9,967	10,448	+4.8
August	9,588	10,132	+5.7
September	9,068		
October	9,173		
November	8,823		
December	9,284		
Total	115,458		

Most of the impetus for larger milk production has come from heavier concentrate feeding, which began last year in late summer. The heavier feeding was the major factor in the 6-percent increases from a year ago in output per cow during recent months. However, dairymen may also be more fully realizing gains from the past few years in genetic potential.

The decline from a year earlier in milk cow numbers has remained very close to 1 percent thus far in 1976, despite considerably higher cull cow prices during most of this period. Drops in cow numbers have been slowed by the relatively favorable prospects for milk production and the continued large numbers of heifers entering the milking herd. The July 1 cattle inventory showed more than 3.9 million dairy replacements on farms, up slightly from any of the previous 3 years. There were almost 36 heifers over 500 pounds for every 100 cows in the milking herd, a rather high ratio.

Changes in output per cow, 1970-76[1]

Year	Quarter			
	I	II	III	IV
	Percent	*Percent*	*Percent*	*Percent*
1970	+3.8	+3.0	+3.1	+3.6
1971	+3.0	+2.5	+2.4	+2.8
1972	+3.9	+2.3	+2.6	+.8
1973	-1.5	-.6	-2.2	-1.2
1974	+.7	+1.4	+3.5	+1.9
1975	+.9	-.3	-.8	+2.5
1976	+4.2	+4.6	[2] +6.2	

[1] From a year earlier. [2] July-August.

Increased milk output continued to be widespread this summer as all regions, except the Mountain region, registered gains. The increases during July-August were largest in the important dairy regions of the Lake States, the Pacific region, and the Northeast, with other regions posting 2-4 percent rises. Output in all of the 5 major dairy States was substantially above a year earlier, although New York's 3-percent gain was an exception to the 8-9 percent rises in the other 4 States. The drought and resulting very tight roughage supplies in Minnesota and Wisconsin apparently had not yet impacted milk production. However, dairymen in those States have had to feed large amounts of harvested forage that ordinarily would be part of their fall and winter supplies. This forage probably was better quality than could be obtained from normal August pastures.

Gains Likely to Ease

Factors which will tend to boost milk output during the rest of 1976 include:

(1) If dairy sales hold, farm milk prices later this year may well approach the $10 level.

(2) Feed prices may be close to a year earlier.

(3) Milk-feed price relationships are expected to result in heavy concentrate feeding this fall.

(4) Slaughter cow prices have declined about $6 per 100 pounds since May and are not high enough to encourage heavy culling. Utility cows at Omaha

were quoted at about $23 per 100 pounds in early September, about the same as a year ago.

(5) The dairy replacement herd was still relatively large at midyear.

(6) The index of prices paid for production items has risen slowly this summer, but June-August still averaged 7 percent above a year ago.

However, gains will be tempered by:

(1) Drought in the upper Midwest has sharply reduced hay supplies as well as increased the quantities of harvested forage fed this summer.

(2) Expanding off-farm employment has provided better job opportunities for dairymen and dairy labor.

On balance, it appears likely that milk output will continue above 1975 during the rest of the year. The large replacement herd and the lack of incentives for heavy culling likely will keep the drops in milk cow numbers modest. However, the tight roughage supplies for the barn feeding season may trigger some slightly sharper culling in the upper Midwest.

Milk cows and replacements, 1973-76

Date	Milk cows	Replacement heifers, 500 pounds and over	
		Number	Per 100 cows
	1,000	*1,000*	*Number*
1973			
January 1	11,624	3,874	33.3
July 1	11,387	3,918	34.4
1974			
January 1	11,286	3,942	34.9
July 1	11,203	3,900	34.8
1975			
January 1	11,211	4,095	36.5
July 1	11,151	3,932	35.3
1976			
January 1	11,092	3,973	35.8
July 1	11,051	3,940	35.7

Expected feeding relationships probably will sustain the high level of concentrate feeding of the past year. This should result in continued increases from a year earlier in milk production per cow, although the rate of increase may return to the 2-3 percent range typical of the early 1970's. The relatively large proportion of first-calf heifers entering the milking herd probably will tend to slow the increase in output per cow.

While milk production probably will remain well above a year ago, the gains from a year earlier likely will slacken considerably when compared with last year's rapidly recovering output. By the end of 1976, the year-to-year increase may be 2 percent or lower. Even so, milk production for all of 1976 could be up about 3 percent from 1975, the sharpest rise in more than a quarter century. Small increases in milk output likely will continue in early 1977.

Feed Price Outlook

Grain and protein feed prices have been strong and generally fluctuating in response to crop uncertainties, an expanding domestic market and a record-breaking export movement of grain this year. Corn production, forecast at 5.9 billion bushels as of September 1, is still slightly larger than last year's record 5.8-billion-bushel crop. A crop of this size, with strong domestic and export demand, likely will result in feed grain prices roughly the same as last year.

September soybean meal prices (at around $175-$200 per ton, Decatur) continue strong compared with a year ago when markets were quoted at about $135. The current strength in the protein feed market reflects the prevailing strong demand and the indicated smaller soybean crop. Soybean production on September 1 was estimated at 1,274 million bushels, 16 percent less than a year ago.

The cost of dairy feed stayed high in August. Farmers paid an average $144 per ton for 16-percent dairy ration, down $1 per ton from July but up $9 from a year ago. If ingredient prices remain strong, as expected, mixed feed prices could run near current levels this fall.

With rising milk prices and stable feed prices, milk-feed price relationships have improved substantially (figure 7). In August, a pound of milk was equal in value to 1.5 pounds of feed, up from well under 1.4 a year ago. The difference in value between 100 pounds of milk and 100 pounds of feed

Milk-feed price ratio[1]

Month	1974	1975	1976
	Pounds	*Pounds*	*Pounds*
January	1.54	1.25	1.75
February	1.51	1.29	1.66
March	1.49	1.33	1.64
April	1.50	1.30	1.60
May	1.45	1.30	1.51
June	1.37	1.30	1.42
July	1.30	1.34	1.42
August	1.16	1.36	1.51
September	1.22	1.47	
October	1.21	1.56	
November	1.23	1.67	
December	1.20	1.70	
Average	1.34	1.39	

[1] Pounds of concentrate ration equal in value to 1 pound of milk.

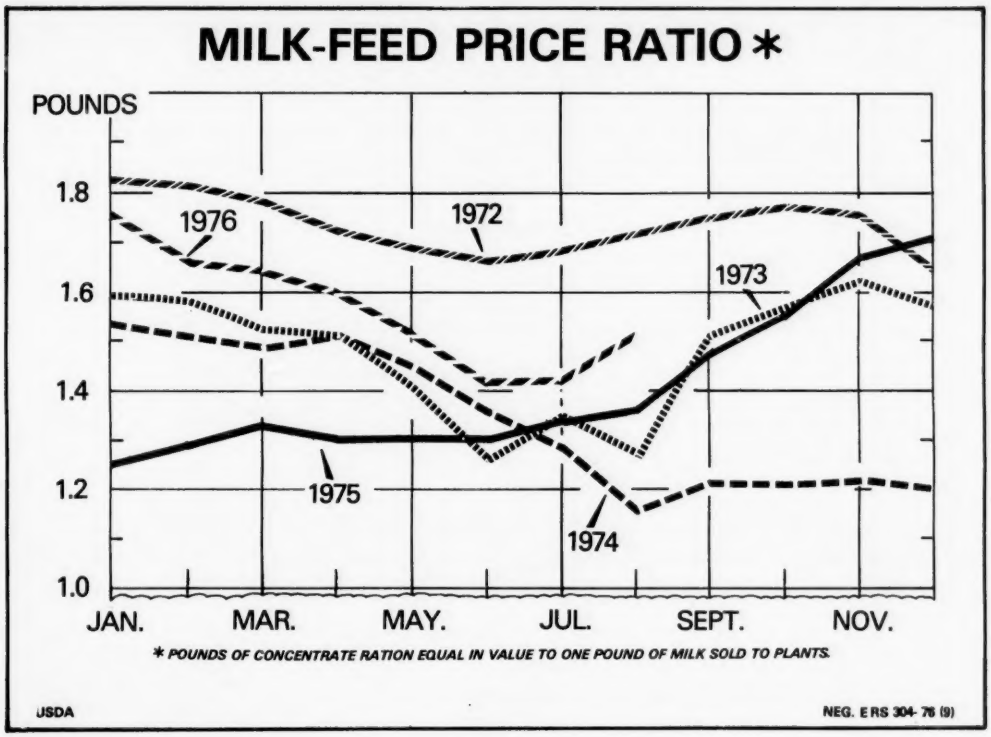


Figure 7

stood at $3.25, up almost a dollar from 1975. Milk-feed price relationships likely will remain relatively favorable this fall.

Pasture conditions on September 1 ranged from drought conditions in the upper Midwest to generally good in the Northeast. The national rating of 61 was down from 76 a year ago and well below average. The drought also has sharply reduced hay production in the upper Midwest. U.S. hay output is projected to be down 9 percent from a year earlier with alfalfa hay production down more than a tenth. With the smaller crop, hay prices have been at record seasonal levels. Farmers paid an average $71 per ton for alfalfa hay in August, up $7 from a year ago. Current hay prices may well carry into the fall and winter.

PRICES AND INCOME

Farm Milk Prices Rising

Farm milk prices have shown strong seasonal rises this summer after remaining well above support levels this spring in the face of heavy flush-season milk production. Farmers received an average $9.67 per 100 pounds of milk in August, up 26 cents from July and $1.03 from August 1975. The rise from the June seasonal low was 56 cents, compared with 65 cents last year and a 1970-74 average of 31 cents.

Manufacturing milk prices reached an average $8.85 per 100 pounds in August, up 53 cents from June and $1.22 from a year earlier. Adjusted to the annual average fat test, manufacturing milk prices in August were 89 cents above the $8.13 support level. Prices of manufacturing milk were boosted by strong wholesale American cheese and butter prices.

American cheese plants paid about 13 cents more for milk of equivalent fat test than did butter-powder plants in July. While the advantage to cheese plants has existed throughout the year, the difference had narrowed during May and June as cheese plants operated near capacity and butter stocks were being actively rebuilt.

Milk prices received by farmers

Month	All sold to plants			Manufacturing grade		
	1974	1975	1976	1974	1975	1976
	Dollars per 100 pounds					
January	8.89	8.43	10.20	8.13	6.97	9.07
February	8.92	8.38	9.79	8.15	7.02	8.45
March	8.96	8.22	9.72	8.14	7.03	8.53
April	8.84	8.18	9.37	7.75	7.06	8.50
May	8.26	8.07	9.23	6.87	7.07	8.31
June	7.69	7.99	9.11	6.42	7.09	8.32
July	7.62	8.25	9.41	6.31	7.27	8.60
August	7.75	8.64	9.67	6.46	7.63	8.85
September	8.08	9.25		6.81	8.25	
October	8.35	9.70		7.03	8.77	
November	8.49	10.00		7.02	9.01	
December	8.27	10.30		6.74	9.30	
Average	8.33	8.75		7.13	7.63	

Minimum Class I prices in Federal order markets will average $11.09 per 100 pounds in October, up $1.29 from a year ago and 69 cents from July. These changes reflect movements in the Minnesota-Wisconsin (M-W) price, the basic formula price in Federal order markets. However, minimum Class I prices in November-December will be below October.

Farm milk prices likely will trend seasonally higher during the rest of 1976, although the early fall increases could be quite small. Average prices might reach the $10 level by the end of the year if wholesale product prices strengthen.

Cash Receipts Larger

Cash receipts from dairying, which have been above year-earlier levels for the past 15 months, were up about a fifth during the first half of this year. Higher milk prices and larger marketings both contributed to the increase. Gross income from dairying during July-August was up about 19 percent from last year. Although the gains from a year earlier in dairy income likely will slow in coming months, cash receipts from sales of milk and cream should remain above year-earlier levels during most of the remainder of 1976 and could exceed $11 billion for the year, up from $9.9 billion in 1975.

Production costs continue to exceed last year, although the rate of increase has lessened. The index of prices paid for production items was about 6 percent above a year earlier in August, compared with increases of 11 and 8 percent during the first and second quarters of the year. Dairy concentrate and hay prices both were well above year-earlier levels during August. Production costs this fall probably will continue above a year ago. However, the increases likely will not match the gains in dairy income, unless feed costs increase sharply or the seasonal increase in farm milk prices is less than anticipated.

Wholesale Markets Unsettled

Wholesale butter and cheese prices increased substantially in late spring and early summer before dropping sharply during the last half of August. The earlier increases reflected the heavy demand for stocks and the fairly strong sales. Prices fell back as more milk became available for butter and cheese and the industry reassessed the need for stocks of milkfat.

Wholesale butter prices rose 18 cents per pound from late May to mid-August, reaching about $1.08 per pound for Grade A in Chicago—almost equal to the record level of last December (figure 8). However, prices dropped almost 14 cents in late August and early September as the supply-demand balance for milkfat loosened, butter production increased, and stocks were deemed adequate for projected needs by the industry. In mid-September, Grade A butter at Chicago was selling for about 94 cents per pound.

American cheese prices increased rapidly during July and early August, before declining 7-9 cents in late August and early September. At Wisconsin assembly points, 40-pound blocks were quoted at about $1.00 per pound in mid-September. Barrel cheese was quoted at 92 cents. This difference between the block and barrel prices was almost double the 4 cents of a year ago. Supplies of 40-pound blocks have been tighter than supplies of barrel cheese throughout the spring and summer, partially due to the relatively greater expansion in barrel cheese production capacity in recent years.

Wholesale prices of dried products continued weak this summer as the market was dominated by low sales and heavy supplies. Wholesale nonfat dry milk prices have remained near CCC's support purchase price of 62.4 cents per pound since April. Heavy cheese production continued to result in large supplies of dry whey, although production is declining seasonally. Coupled with a firming of demand, prices have risen slightly and in early September, edible whey powder was selling for about 7 cents per pound in the Central States production area. Casein and lactose prices remained fairly low.

Wholesale ice cream prices, which had remained very stable during the first half of the year, began to increase slightly during July and were up about 6 percent from a! ear earlier in August. Manufacturers' selling prices for evaporated milk averaged $13.79 per case in July, up slightly from May but about the same as earlier this year.

The wholesale dairy price index, as reported by the Bureau of Labor Statistics (BLS), stood at 173.9

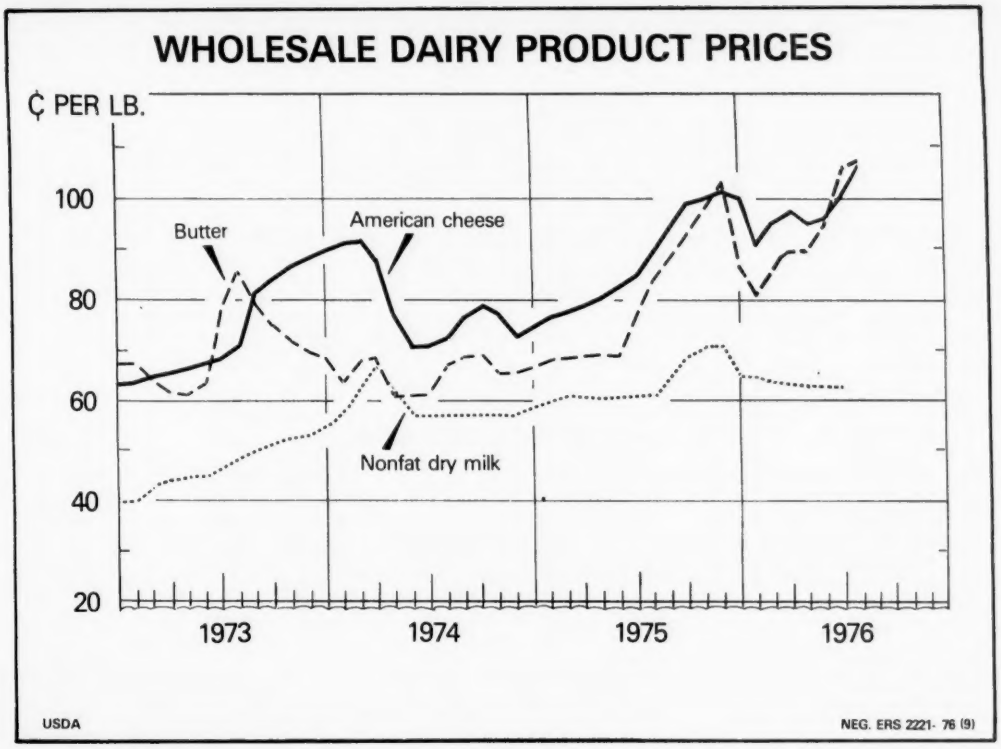


Figure 8

(1967=100) in August, up about 4 percent from June and 11 percent from last August. The increase from year-earlier levels likely will continue to slacken in coming months, due to the very rapid increases in wholesale prices during late 1975.

Wholesale prices likely will remain unsettled for the next few weeks until supply-demand prospects for milk and other dairy products in late 1976 become clearer. If the gains in milk production slow as expected, fluid sales hold near year-earlier levels, and cheese demand remains strong, wholesale prices of butter and cheese may hold at early September levels with moderate seasonal increases during the holiday demand period. If, however, sales weaken or milk production is stronger, wholesale prices could slip further. In either case, wholesale prices likely will decline early in 1977.

Retail Prices to Rise

Retail dairy prices likely will rise seasonally in coming months as early summer wholesale price increases are more fully reflected at retail. During the first 7 months of this year retail dairy prices were extremely stable, varying within a range of less than 1 percent. Although retail dairy prices probably will increase in the next few months, the increases will not be as large as those of late 1975. Thus, the rate of increase from a year earlier will be declining during the remainder of the year and, for all of 1976, retail dairy prices likely will average 7-9 percent above 1975.

The BLS index of retail dairy prices stood at 168.0 (1967=100) in July, slightly lower than at the beginning of the year but about 9.5 percent higher than last July. Retail prices for all food items in July were about 2 percent above a year earlier and the Consumer Price Index of all items was up over 5 percent.

Retail dairy product prices

Item	Unit	July 1974	July 1975	Dec. 1975	July 1976
All dairy products	1967=100	151.6	153.4	165.5	168.0
Butter	c/lb.	90.3	95.7	124.6	125.9
Processed American cheese	c/½-lb.	72.3	75.1	85.1	85.8
Ice cream	c/½-gal.	108.4	121.3	126.0	125.2
Whole milk: At stores	c½-gal.	78.4	77.0	81.1	81.9
Evaporated milk	c/can	29.2	30.4	32.3	34.3
Skim milk: At stores	c/qt.	41.5	42.1	43.9	44.5

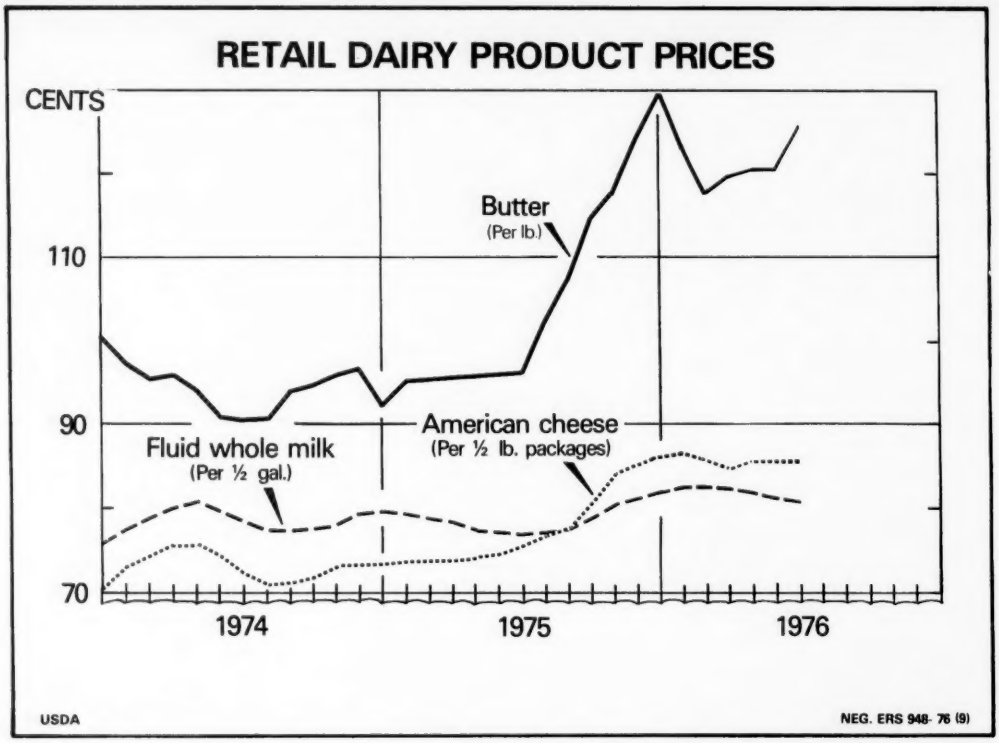


Figure 9

Retail prices of many individual dairy products have been stable throughout the year. July fluid milk prices were the lowest this year, although down less than a penny per half gallon from the March peak and up almost a nickel from last July (figure 9). Ice cream prices at retail have varied by only 2 cents per half-gallon thus far in 1976 and were up only 3 percent from a year ago in July. Retail cheese prices have also been relatively stable this year, varying by less than 4 cents per pound. The July cheese price, although down slightly from earlier this year, was still about 14 percent above a year earlier as sales remained strong.

Retail butter prices reached almost $1.26 per pound in July, up almost a third from year-earlier levels but still 3 percent below January. Meanwhile, margarine prices continued to decline, with July prices down about 10 percent from January and almost 14 percent below July 1975. On the basis of BLS figures for July, margarine cost about two-fifths as much as butter at retail, compared with just over three-fifths a year ago.

During the second quarter of 1976, the retail cost of dairy products in the market basket of farm foods increased by more than 10 percent from a year earlier. The farm value was up nearly 18 percent while the farm-retail spread was about 3 percent above a year ago. The farm-retail spread increased almost 3 percent from the first to the second quarter of 1976, lowering the farmer's share of the consumer's dairy dollar, although it was still an unusually high 51 cents.

Almost $23 Billion Spent for Dairy Products in 1975

Consumers spent nearly $23 billion for dairy products in 1975, up nearly 7 percent from 1974 (table 1). Higher prices and a slight increase in commercial domestic disappearance of dairy products both contributed to the increase in consumer expenditures. Retail dairy prices rose more slowly than either income or prices of food as a whole. Thus, the percent of disposable personal income used to buy dairy products in 1975 declined slightly to 2.1, about the same as in 1973. Dairy products accounted for about 12 percent of consumer expenditures for all foods in 1975.

The average wage earner had to work 73 minutes per week in 1975 to earn the dairy products in the market basket of farm foods. This was

Table 1--Consumer expenditures for food and dairy products, income, and labor required to purchase specified dairy products, selected years, 1950-75

Year	Disposable personal income 2/	Consumer expenditures: For all foods 1/: Amount 2/	For all foods 1/: As a percentage of income 2/	For dairy products: Amount	For dairy products: As a percentage of: Income 2/	For dairy products: As a percentage of: All food expenditures 2/
	Bil. dol.	Bil. dol.	Pct.	Mil. dol.	Pct.	Pct.
1950	205.4	46.0	22.4	8,157	4.0	17.7
1955	273.3	58.1	21.3	10,301	3.8	17.7
1960	349.4	70.5	20.2	12,098	3.5	17.2
1965	472.2	85.8	18.2	13,049	2.8	15.2
1966	510.4	92.6	18.1	13,606	2.7	14.7
1967	544.5	95.0	17.5	13,698	2.5	14.4
1968	588.1	102.7	17.5	14,882	2.5	14.5
1969	630.4	109.5	17.3	15,460	2.5	14.1
1970	685.9	118.6	17.3	16,102	2.3	13.6
1971	742.8	122.0	16.4	16,687	2.2	13.7
1972	801.3	130.6	16.3	17,651	2.2	13.5
1973	901.7	146.8	16.3	18,900	2.1	12.9
1974	982.9	167.0	17.0	21,295	2.2	12.8
1975 3/	1,080.9	184.8	17.1	22,716	2.1	12.3

Year	Time worked to earn money to purchase 4/: Butter, 1-lb.	Milk at stores, ½-gal.	American cheese, ½-lb.	Ice cream, ½-gal.	Evaporated milk, 14½-oz. can
	Minutes				
1950	29.6	15.8	11.7	5/35.6	5.1
1955	22.5	13.8	10.2	26.6	4.3
1960	19.5	12.8	9.0	22.2	4.1
1965	17.3	10.9	8.7	18.1	3.5
1966	17.9	11.0	9.2	17.5	3.5
1967	17.6	10.9	9.2	17.2	3.6
1968	16.7	10.7	8.8	16.1	3.4
1969	15.9	10.4	8.8	15.3	3.3
1970	15.5	10.2	9.0	15.1	3.3
1971	14.8	9.9	8.9	14.4	3.3
1972	13.7	9.4	8.6	13.5	3.1
1973	13.5	9.6	8.9	13.4	3.3
1974	12.9	10.7	9.9	14.6	3.9
1975 3/	12.8	9.8	9.6	15.2	3.8

1/ Excludes alcoholic beverages, food donated by the Government, non-personal spending for food, and institutional food use. 2/ Revised. 3/ Preliminary. 4/ Based on hourly wage rates of all manufacturing industries. 5/ 1951.

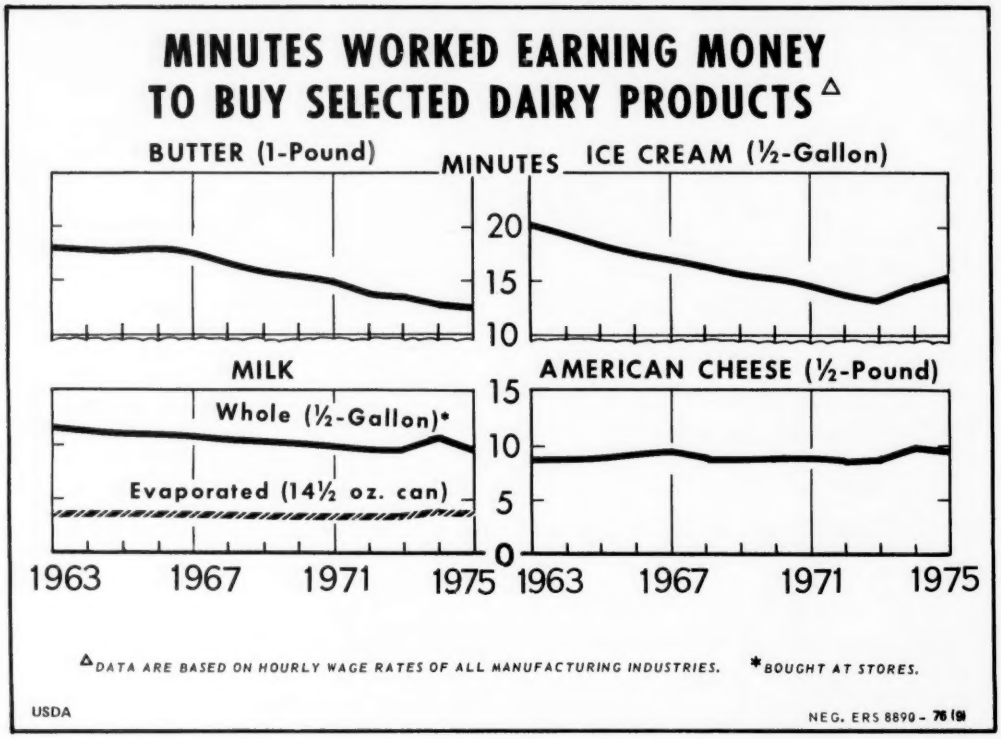


Figure 10

down 5 minutes from 1974, but was still 2 and 4 minutes more than was required in 1973 and 1972, respectively. Until 1973, the amount of labor required to purchase dairy products had declined steadily as wage rates rose faster than retail dairy prices (figure 10).

Of the $22.7 billion consumers spent for dairy products last year, $9.9 billion represented the farm value and $12.8 billion the marketing bill. Total consumer expenditures for dairy products consisted of $10.9 billion for fluid milk and cream products and $11.8 billion for other dairy products.

Almost three-fourths of consumer expenditures for dairy products in 1975 were for use at home. At-home expenditures increased about 5 percent from 1974. Consumers increased their expenditures for dairy products away from home by almost 11 percent. This increase occurred primarily in public eating places, but expenditures in institutions also increased slightly.

Item	Consumer expenditures for dairy products	
	1974	1975
	Billion dollars	*Billion dollars*
At-home	15.8	16.6
Away-from-home	5.5	6.1
Public eating places	3.8	4.3
Institutions	1.7	1.8
Total	21.3	22.7

UTILIZATION

Cheese Output Still Booming

Cheese plants this summer continued to draw enough milk to operate at near-capacity levels. Unlike this spring, however, the July increase in supplies of milk available for manufacturing was sufficient to provide increased butter output, after meeting the demand for milk for cheese and other products. Nonfat dry milk production was up slightly in July, which indicated that the amount of milk going directly into butter-powder operations moved above a year ago.

About 8 percent more milk than a year earlier went into manufacturing in July, after a 5-percent gain in June. These increases were primarily the results of gains in milk production since fluid sales were close to a year ago. In addition, there may

Production of selected manufactured dairy products, 1975-76

Item	January-July		Change from year earlier	
	1975	1976[1]	1975	1976[1]
	Million pounds	*Million pounds*	*Percent*	*Percent*
Butter	649.0	607.1	+8.2	-6.5
Cheese:				
American	1,035.9	1252.3	-15.3	+20.9
Other	662.7	740.1	+6.3	+11.7
Cottage, creamed	522.0	534.3	+1.2	+2.4
Canned milk	589.7	605.8	-14.0	+2.7
Dry whole milk	35.9	52.3	-27.5	+45.7
Ice cream (Mil. gal.)	497.3	485.9	+7.5	-2.3
Milk equivalent[2]	37,349	39,002	-1.0	+4.4
Nonfat dry milk	713.0	612.4	+7.6	-14.1

[1] Preliminary. [2] Total all reported manufactured products.

have been unusually large amounts of milkfat—primarily frozen cream—stored this spring, which were used in manufactured products this summer.

Total cheese output in July was about 297 million pounds, up almost a fifth from the previous July record. Although most of the increase was in American varieties, other types have also been produced in substantially larger quantities. Output of American cheese in July was up 26 percent from 1975 and the seasonal declines in production have been relatively slow. These trends were even more pronounced in August. Similarly, production of other-than-American varieties was up almost a tenth from a year ago and has remained close to 110 million pounds a month since March.

Butter production in July moved above a year earlier for the first month since April 1975. While up 4 percent from 1975, July's output remained well below 1974. Preliminary estimates indicate strong gains in August. Nonfat dry milk production in July was up 2 percent from 1975 and has recovered considerably from the 20-percent drops of early 1976.

More creamed and lowfat cottage cheese was produced in July than a year ago, continuing the slow recovery of these products. Creamed cottage cheese output was just barely above 1975 in July and remained well below the levels of the early 1970's. Lowfat cottage cheese production has apparently resumed its upward trend and was up 4 percent in July.

Frozen dessert output fell below last year's levels in late spring and early summer. July output of ice cream was down 7 percent from 1975, after also running below in May-June, but the total for January-July was only slightly below 1975. Production of ice milk has followed approximately the same pattern as for ice cream but sherbet output has generally been somewhat stronger.

Among other products, canned milk production fell below a year ago in late spring and early summer after the early 1976 increases resulted in manufacturers' stocks substantially above 1975. Although the jumps in cheese output resulted in much heavier supplies of liquid whey, June-July production of dry whey for food use was only slightly higher than in 1975. However, output of condensed whey, modified whey products, and dry whey for animal feed was substantially higher.

Supplies of milk available for manufacturing probably will exceed 1975 in coming months if milk production remains above a year ago. Milk likely will continue to be diverted from butter-powder to cheese production, but the magnitude of the flow will be determined by the relative stock positions as well as the strength of sales.

Wisconsin out-of-State milk shipments continue to run below a year ago. The generally strong milk production in other areas reduced the need to draw upon the large reserves of the upper Midwest.

Strong Demand Holds

Despite sharply higher retail prices than a year ago, sales of milk in all dairy products have remained brisk. Total dairy sales were up almost 2 percent from 1975 in June-July, although the July data indicated that sales may be slowing slightly (table 2). Commercial disappearance of milk in all dairy products during the first 7 months of 1976 was the highest in 10 years. Although very strong cheese sales were most important, slight gains in fluid sales and above average butter sales also helped.

Cheese sales, spurred by rising consumer incomes, continued unabated. In June-July, com-

Changes in January-July dairy sales from year earlier

Item	Change
	Percent
Total milk[1]	+2.6
Manufactured products:	
American cheese	+12.3
Other cheese	+10.0
Cottage cheese[2]	+2.9
Butter	-5.5
Ice cream	-2.3
Ice milk	-4.4
Canned milk	-5.4
Nonfat dry milk	+28.9
Fluid products:[3]	
Whole milk	-2.5
Skim and lowfat milk	+7.2
Cream and mixtures	+4.7

[1] On a milk equivalent, fat-solids basis. [2] Creamed and low-fat. [3] January-June.

Table 2--Commercial disappearance: Total milk, annual and by quarters, 1974-76 1/

Item	1974	1975					1976 2/				
		By quarters				Annual	By quarters				Annual
		1st	2nd	3rd	4th		1st	2nd	3rd	4th	
	Billion pounds										
Production	115.6	28.2	31.4	28.6	27.3	115.5	29.0	32.5			
Farm use	3.3	.8	.8	.8	.8	3.2	.8	.8			
Marketings	112.3	27.4	30.6	27.8	26.5	112.2	28.2	31.7			
Beginning commercial stocks	4.7	5.6	5.0	5.5	4.7	5.6	3.7	4.2			
Imports	2.9	.3	.2	.4	.7	1.7	.4	.4			
Total supply	119.9	33.3	35.8	33.7	31.9	119.5	32.3	36.3			
Ending commercial stocks	5.6	5.0	5.5	4.7	3.7	3.7	4.2	6.5			
Net removals	1.3	1.1	1.2	4/-.3	5/	2.0	5/	.1			
Commercial disappearance											
Actual	113.0	27.1	29.1	29.3	28.2	113.7	28.1	29.8			
Percent change 3/	+.5	-3.1	+2.9	+2.3	+.2	+.6	6/+2.4	+2.4			

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding. 2/ Preliminary. 3/ From year earlier using unrounded data. 4/ Minus denotes domestic sales exceeded purchases. 5/ Less than 50 million pounds. 6/ On a daily average basis.

Table 3--Commercial disappearance: Selected dairy products, United States, annual 1967-75, by quarters, 1975-76

Year and quarter	Butter 1/	Cheese		Nonfat dry milk	Canned milk	Frozen products 3/
		American 2/	Other			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. gal.
1967	973.9	1,175.9	738.2	1,012.2	1,571.5	1,040.2
1968	976.0	1,213.3	803.0	1,058.0	1,496.8	1,082.3
1969	921.9	1,281.0	861.6	1,042.1	1,376.1	1,092.2
1970	898.2	1,398.0	909.1	983.2	1,213.8	1,097.3
1971	847.1	1,454.8	987.0	981.8	1,186.9	1,102.4
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,276.5	809.9	999.5	1,124.3
1975	947.7	1,717.0	1,331.8	689.5	950.8	1,176.0
1975-1st	254.7	398.3	305.8	146.6	240.2	246.7
2nd	239.3	442.2	324.5	128.3	222.3	334.2
3rd	217.3	443.4	334.9	237.6	240.1	351.3
4th	236.2	432.9	366.6	176.9	248.2	243.7
1976-1st	248.8	460.2	333.6	189.6	230.1	253.7
2nd	216.7	489.1	365.0	193.1	207.0	318.6
3rd						
4th						
	1975-76 percent change					
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1st 4/	-3.4	+14.2	+8.1	+27.6	-5.3	+1.8
2nd	-9.4	+10.6	+12.5	+50.5	-6.9	-4.7
3rd						
4th						

1/ Imports include butter equivalent of butteroil. 2/ Imports include Colby cheese; stocks do not include processed cheese. 3/ Excludes Mellorine. 4/ On a daily average basis.

Table 4--Milk: Supply and utilization in all dairy products, United States, 1960-75 1/

Year	Supply					Utilization						
	Production	Imports	Beginning stocks: Commercial	Beginning stocks: Government	Total	Total use	Exports and shipments: Commercial 2/	Exports and shipments: USDA 3/	Exports and shipments: Total	Domestic disappearance: Fed to calves	Domestic disappearance: Food use: Military	Domestic disappearance: Food use: Civilian consumption: Total	Domestic disappearance: Food use: Civilian consumption: Per capita
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
1960	123,109	604	3,730	430	127,873	122,473	887	142	1,029	2,548	2,532	116,364	653
1961	125,707	760	4,192	1,208	131,867	121,964	784	148	932	2,432	2,472	116,128	641
1962	126,251	795	4,992	4,911	136,949	124,793	796	922	1,718	2,330	2,969	117,776	641
1963	125,202	915	4,338	7,818	138,273	128,585	2,122	3,371	5,493	2,245	2,964	117,883	632
1964	126,967	830	4,132	5,556	137,485	132,195	3,478	3,976	7,454	2,152	3,007	119,582	632
1965	124,180	923	4,317	973	130,393	125,937	1,710	648	2,358	2,061	2,819	118,699	620
1966	119,912	2,791	3,918	538	127,159	122,300	907	301	1,208	1,980	2,376	116,736	604
1967	118,732	2,908	4,813	46	126,499	118,247	593	231	824	1,891	2,117	113,415	581
1968	117,225	1,780	4,258	3,994	127,257	120,550	814	957	1,771	1,821	3,295	113,663	577
1969	116,108	1,621	3,983	2,724	124,436	119,092	942	477	1,419	1,745	2,696	113,232	569
1970	116,962	1,874	3,798	1,447	124,081	118,278	949	41	990	1,696	2,419	113,173	561
1971	118,532	1,346	3,705	2,098	125,681	120,577	1,063	1,963	3,026	1,644	2,031	113,876	558
1972	119,904	1,694	3,565	1,539	126,702	121,204	1,263	884	2,147	1,641	1,671	115,745	560
1973	115,385	3,860	3,493	2,005	124,743	119,535	1,213	79	1,292	1,595	1,257	115,391	554
1974	115,553	2,923	4,732	476	123,684	117,798	1,133	25	1,158	1,554	1,137	113,949	543
1975 4/	115,458	1,669	5,576	310	123,013	119,170	1,044	---	1,044	1,580	1,075	115,471	546

1/ Milk equivalent, fat solids basis. 2/ Includes sales for dollars and government-to-government sales. 3/ Includes P.L. 480 and AID programs. 4/ Preliminary.

Table 5--Dairy products: Per capita civilian consumption, United States, 1960-75 1/

Year	Fluid milk and cream 2/: Sales of fluid products	Fluid milk and cream 2/: Total	Butter	Cheese: Whole and part skim milk 3/: American	Cheese: Whole and part skim milk 3/: Other	Cheese: Cottage cheese	Evaporated and condensed: Canned, whole milk	Evaporated and condensed: Bulk condensed, whole milk	Evaporated and condensed: Skim and buttermilk	Frozen products: Ice cream	Frozen products: Ice milk	Frozen products: Sherbet	Frozen products: Other frozen dairy products	Frozen products: Mellorine	Dry milk products: Dry whole milk	Dry milk products: Nonfat dry milk	Dry milk products: Dry butter milk	Dry whey
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1960	307	322	7.5	5.4	2.9	4.8	11.3	2.4	4.5	18.3	4.5	1.5	0.2	1.2	0.3	6.2	0.4	0.3
1961	298	312	7.4	5.7	2.9	4.6	10.8	2.5	4.8	18.0	5.0	1.4	.1	1.3	.3	6.2	.4	.3
1962	296	308	7.3	6.1	3.1	4.6	10.3	2.2	4.8	17.9	5.6	1.4	.2	1.3	.3	6.1	.4	.4
1963	296	307	6.9	6.1	3.1	4.6	9.5	2.1	4.5	18.0	6.0	1.5	.2	1.3	.3	5.8	.4	.4
1964	294	304	6.9	6.2	3.2	4.7	9.2	2.2	4.8	18.3	6.3	1.5	.2	1.3	.3	5.9	.4	.5
1965	292	302	6.4	6.2	3.4	4.6	8.6	2.1	5.0	18.5	6.6	1.5	.2	1.3	.3	5.6	.4	.6
1966	288	297	5.7	6.2	3.6	4.6	7.9	1.9	5.4	18.2	6.8	1.6	.2	1.3	.3	5.9	.3	.7
1967	277	285	5.5	6.4	3.7	4.5	7.3	1.7	5.0	17.8	7.0	1.5	.2	1.3	.3	5.6	.3	.9
1968	272	280	5.7	6.6	4.0	4.6	7.1	1.8	4.8	18.4	7.2	1.6	.2	1.4	.2	5.8	.3	1.1
1969	264	272	5.4	6.7	4.2	4.8	6.4	1.5	5.0	18.0	7.6	1.7	.2	1.3	.2	5.8	.3	1.2
1970	258	264	5.3	7.1	4.4	*5.2	5.9	1.2	5.0	17.7	7.8	1.6	.2	1.2	.2	5.4	.2	1.5
1971	253	259	5.1	7.4	4.7	5.4	5.7	1.1	5.1	17.5	7.8	1.6	.2	1.1	.2	5.3	.3	1.6
1972	257	263	4.9	7.8	5.4	5.4	5.1	1.2	4.8	17.4	7.7	1.6	.3	1.1	.1	4.6	.2	1.8
1973	251	257	4.8	8.0	5.7	5.3	4.9	1.1	4.3	17.5	7.7	1.7	.3	.9	.1	5.3	.2	1.8
1974	241	246	4.6	8.6	6.0	4.7	4.4	1.2	3.5	17.5	7.8	1.6	.3	.8	.1	4.2	.2	2.2
1975 4/	243	248	4.8	8.3	6.2	4.7	4.1	1.2	3.6	18.6	7.7	1.5	.3	.7	.1	3.3	.2	2.3

1/ See table 15, DS-332, for earlier years. 2/ Milk equivalent, fat solids basis. 3/ Excludes cottage cheese. 4/ Preliminary. *1970-1974 revised.

mercial disappearance of American cheese was about a tenth greater than 1975, about the same increase as earlier this year (table 3). Sales of other varieties also increased about 8 percent from a year ago. The strength of cheese demand may be tested later this year if retail meat prices fall below a year ago as currently expected.

Fluid sales in major urban markets slipped below a year earlier in June, for the first month since November 1974, and were about equal in July. Although this indicated that fluid sales had stopped growing, they remained well above 1974. Even though retail fluid milk prices were stable or slightly declining thus far in 1976, they were up more than 6 percent from a year ago in June-July, a substantially larger increase than for all food and somewhat greater than the rise in all consumer prices.

Commercial disappearance of butter was down less than 5 percent in June-July, after drops of 10-17 percent during March-May. Even so, butter sales during January-July were well above the 1970-74 average. Sales of bulk butter were brisk as retail sales reportedly were off 15-20 percent and institutional use was about the same. The drop in retail sales was mostly the result of retail butter prices running almost 30 percent above 1975 while retail margarine prices were about 15 percent below a year ago. The apparent disappearance of bulk butter may have been larger than actual use during June-July, since users were very concerned about tight supplies later this year and probably built inventories. Even so, bulk butter use likely was strong since sales of products using butter as an ingredient generally would be expected to respond to higher consumer incomes.

Commercial disappearance of nonfat dry milk was remarkably stable during the first 7 months of 1976 as user inventories probably remained stable, although at very low levels. Although July sales were the highest of the year, they fell below last year's late-summer surge. Commercial disappearance during January-July was more than a fourth greater than 1975, when users generally were depleting their holdings. While actual use of nonfat dry milk likely was slightly above a year ago, the availability of cheap substitutes was a substantial limiting factor.

Among other products, cottage cheese sales continued their slow recovery, although they remained well below the early 1970's. Cottage cheese sales had been hurt by the very rapid increases in the price of milk solids-not-fat in earlier years and have come back slowly. Ice cream sales have fallen below last year's very high levels but compared favorably with earlier years. Commercial disappearance of canned milk continued its downward trend this summer.

Sales of dairy products may well stay above a year ago during the rest of the year as the year-to-year increase in retail prices diminishes. Although lower retail meat prices may cause some easing in cheese use, cheese sales probably will continue to show considerable growth and provide a firm underpinning for total dairy sales. Fluid milk sales likely will not deteriorate much further and might even pick up slightly. While sales of print butter probably will increase not much more than seasonally, bulk butter use may well prove sufficient to hold total butter sales close to the 1970-74 average. Although ice cream sales will decline seasonally, changes in these sales could have an important bearing on market conditions for milkfat. For all of 1976, commercial disappearance of milk in all dairy products could be 1-2 percent above 1975.

Commercial Stocks Adequate

Commercial dairy stocks have been rebuilt to adequate seasonal levels. Stocks in commercial hands were equivalent to 6.9 billion pounds of milk on August 1 (normally the seasonal peak). While these holdings were a fourth greater than last year, they were almost a billion pounds lower than 1974's excessive level. The level of commercial stocks that is adequate to meet trade needs is now higher than in earlier years, due to the absence of government stocks of butter and cheese and the increased proportion of total dairy sales that is cheese (which often requires a period of storage before sale). Commercial stocks on August 1 totaled 242 million pounds of milkfat, up 28 percent from a year ago, and 305 million pounds of milk solids-not-fat, up 18 percent from 1975.

Dairy product stocks

Item	August 1, 1975	August 1, 1976	Percent Change
	Million pounds	*Million pounds*	*Percent*
Butter			
Commercial	34.3	78.7	+129.4
Total	97.8	81.9	-16.3
American cheese			
Commercial	407.0	445.9	+9.6
Total	421.0	446.6	+6.1
Other cheese			
Commercial	64.2	67.2	+4.7
Nonfat dry milk			
Manufacturers'	91.9	119.4	+29.9
Total	489.3	497.2	+1.6
Milk equivalent[1]			
Commercial	5,459	6,876	+26.0
Total	6,908	6,949	+.6

[1] Total all dairy products.

Table 6--Sales and civilian consumption of American and other cheese, United States, selected years, 1950-75 1/

Year	Sales			USDA donations			Civilian consumption	Per capita	
	Civilian	Military	Total	Civilian	Military	Total		Commercial disappearance	Civilian consumption
	Million pounds							Pounds	
	American cheese								
1950	798	11	809	25	---	25	823	5.4	5.5
1955	782	13	795	88	2	90	870	4.8	5.4
1960	938	7	945	27	1	28	965	5.3	5.4
1961	1,004	4	1,008	23	2	25	1,027	5.5	5.7
1962	969	7	976	144	2	146	1,113	5.3	6.1
1963	1,012	7	1,019	130	3	133	1,142	5.4	6.1
1964	1,035	7	1,042	133	4	137	1,168	5.4	6.2
1965	1,098	8	1,106	80	3	83	1,178	5.7	6.2
1966	1,195	11	1,206	5	---	5	1,200	6.2	6.2
1967	1,168	14	1,182	81	---	81	1,249	6.0	6.4
1968	1,191	13	1,204	105	4	109	1,296	6.0	6.6
1969	1,249	10	1,259	90	1	91	1,339	6.3	6.7
1970	1,385	8	1,393	46	---	46	1,431	6.8	7.1
1971	1,445	7	1,452	75	---	75	1,520	7.0	7.4
1972	1,568	5	1,573	46	---	46	1,614	7.6	7.8
1973	1,657	4	1,661	4	---	4	1,661	7.9	8.0
1974	1,768	3	1,771	43	---	43	1,811	8.4	8.6
1975	1,689	3	1,692	73	---	73	1,762	7.9	8.3
	Other cheese								
1950	332	1	333	---	---	---	332	2.2	2.2
1955	411	1	412	---	---	---	411	2.5	2.5
1960	524	1	525	---	---	---	524	2.9	2.9
1961	517	6	523	---	---	---	517	2.9	2.9
1962	563	5	568	---	---	---	563	3.1	3.1
1963	577	3	580	---	---	---	577	3.1	3.1
1964	614	6	620	---	---	---	614	3.2	3.2
1965	648	5	653	---	---	---	648	3.4	3.4
1966	689	7	696	---	---	---	689	3.6	3.6
1967	720	8	728	---	---	---	720	3.7	3.7
1968	787	7	794	---	---	---	787	4.0	4.0
1969	843	6	849	---	---	---	843	4.2	4.2
1970	886	6	892	---	---	---	886	4.4	4.4
1971	966	5	971	---	---	---	966	4.7	4.7
1972	1,105	5	1,110	---	---	---	1,105	5.3	5.4
1973	1,188	5	1,193	---	---	---	1,188	5.7	5.7
1974	1,260	7	1,267	---	---	---	1,260	6.0	6.0
1975	1,310	7	1,317	---	---	---	1,310	6.2	6.2

1/ Domestic disappearance, commercial sources.

Commercial butter holdings were almost 79 million pounds on August 1, well over twice last year's inadequate levels and up almost a half when the government-owned butter, which was sold back to the industry late last summer, is added to the 1975 holdings. The August 1 stocks appear to be adequate for expected sales during the rest of the year, especially since production has moved ahead of 1975.

Commercial interests held 446 million pounds of American cheese on August 1, up a tenth from 1975 and the second highest on record. However, American cheese holdings were not as ample as indicated by historic comparison. In fact, commercial stocks on August 1 were in about the same position, relative to the level of sales, as a year ago. Although the August 1 stocks probably were quite reasonable, these holdings could become somewhat heavy if gains in output do not slacken appreciably.

Manufacturers' stocks of nonfat dry milk, at 119 million pounds on August 1, represented almost 2 months' supply, at the usage rate of recent months, and were up about 30 percent from last year. However, user inventories probably were quite low and may start to increase if wholesale powder prices start to show signs of rising.

Price Support Activity Light

The strong wholesale markets this year have resulted in almost negligible government purchases of butter and cheese. Total net removals during January-August were equivalent to only about 150 million pounds of milk (fat solids basis), compared with almost 2.1 billion pounds a year ago. In fact, the total for the first 8 months of 1976 was less than any individual month during the first half of 1975. Practically no butter and less than 11 million pounds of cheese were purchased during January-August, although 16 million pounds of evaporated milk were purchased for donation use.

Purchases of nonfat dry milk have been significant this year but remained fairly modest. January-August net removals totaled 101 million pounds, less than a quarter of year-earlier removals and also well under 1974. The lower output of nonfat dry milk probably was the most important factor limiting government removals this year, but some recovery in commercial sales was also significant. By September 10, CCC had sold about 71 million pounds of standard grade nonfat dry milk for bids ranging from 58 to 61 cents per pound, mostly 58 to 59.

While CCC held no uncommitted inventories of butter and cheese, uncommitted holdings of nonfat dry milk have grown slowly this summer as net purchases exceeded the rate of donation usage. These inventories stood at 420 million pounds on September 1, up from 375 million pounds at the start of this marketing year but down from 478 million pounds a year earlier.

USDA probably will not buy much, if any, butter or cheese during the rest of 1976 since supplies will be seasonally tight. However, some net purchases of nonfat dry milk may continue unless commercial sales improve signficantly. Uncommitted inventories of nonfat dry milk are likely to remain high. Early 1977 may see some removals of butter or cheese unless demand increases.

USDA dairy purchases[1]

Item	January-August		Change
	1975	1976	
	Million pounds	*Million pounds*	*Percent*
Butter	66.7	0.4	-99.4
American cheese	68.1	10.9	-84.0
Nonfat dry milk	407.7	101.5	-75.1
Evaporated milk	17.5	16.2	-7.4
Milk equivalent	2,087	150	-92.8

[1] Deliveries minus unrestricted sales.

Uncommitted CCC stocks

Item	August 31	
	1975	1976
	Million pounds	*Million pounds*
Butter (bulk)	2.7	---
American cheese	8.8	---
Nonfat dry milk	478.1	420.2

1975 Cheese Sales Varied

Despite the long-term increase in demand, 1975 disproved the notion that cheese sales never decline. Americans purchased a total of about 3 billion pounds of cheese last year, down less than 1 percent from 1974 (table 6 and figure 11). The 1975 decline was the result of the 4-percent drop in sales of American varieties since other varieties, as a group, posted a 5-percent gain, mostly on the strength of Italian cheese sales.

Cheese sales progressively improved as the year went on, but the late 1975 strength could not overcome the drops earlier in the year. Early 1975 cheese sales were hurt considerably by declines in consumer purchasing power and lower prices for inexpensive cuts of beef. American and Swiss types apparently bore the brunt of the decline in demand.

Americans consumed an average 14.5 pounds of cheese in 1975, down 0.1 pounds from 1974, but

Table 7--Per capita consumption of selected cheese varieties, United States, selected years, 1950-75

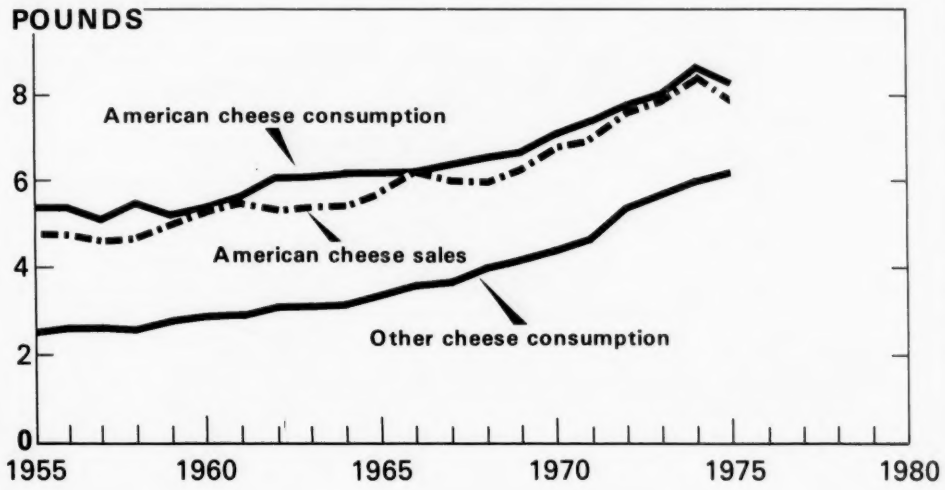
Year	Swiss 1/	Italian-types 2/	Brick	Muenster	Cream and Neuf-chatel	Blue mold 3/	Edam and Gouda	Lim-burger	Roque-fort
					Pounds				
1950	0.70	0.54	0.20		0.46	0.08	0.04	0.04	0.01
1955	.81	.66	.16	.11	.49	.09	.05	.03	.01
1960	.76	1.00	.15	.13	.60	.11	.06	.02	.01
1961	.73	1.02	.13	.13	.60	.11	.07	.02	.01
1962	.74	1.08	.13	.13	.66	.10	.07	.02	.01
1963	.72	1.18	.13	.13	.62	.10	.07	.02	.01
1964	.74	1.30	.12	.15	.63	.11	.07	.02	.01
1965	.73	1.40	.12	.16	.64	.12	.07	.02	.01
1966	.80	1.53	.12	.15	.60	.13	.10	.02	.01
1967	.81	1.59	.11	.15	.62	.12	.10	.01	.01
1968	.93	1.74	.11	.15	.60	.12	.15	.01	.01
1969	.85	1.97	.10	.16	.62	.13	.10	.01	.01
1970	.90	2.09	.10	.17	.63	.14	.11	.01	.01
1971	.95	2.34	.11	.20	.64	.15	.10	.01	.01
1972	1.08	2.65	.11	.22	.65	.16	.11	.01	.01
1973	1.08	2.86	.11	.22	.67	.17	.12	.01	.01
1974	1.21	3.02	.11	.23	.72	.16	.11	.01	.01
1975	1.12	3.31	.09	.25	.76	.16	.11	.01	.01
1976									
1977									

1/ Includes imports of Gruyere and Emmenthaler. 2/ Includes imports of Romano, Pecorino, Reggiano, Parmesano, Provolone, and Provelette. 3/ Includes Gorgonzola.

Table 8 --Consumption of Italian-type cheese, by variety, United States, selected years, 1964-75

Variety		Unit	1964	1971	1972	1973	1974	1975
Provolone:	Total	Mil. lb.	32.4	45.5	50.4	56.6	58.4	60.1
	Per capita	Lb.	.17	.22	.24	.27	.28	.28
Romano:	Total	Mil. lb.	29.4	29.7	35.5	32.7	32.3	48.2
	Per capita	Lb.	.16	.15	.17	.16	.15	.23
Parmesan:	Total	Mil. lb.	29.0	41.0	48.3	39.2	53.9	37.0
	Per capita	Lb.	.15	.20	.23	.19	.26	.18
Mozzarella:	Total	Mil. lb.	113.6	287.5	330.8	374.8	398.4	457.6
	Per capita	Lb.	.60	1.41	1.60	1.80	1.90	2.16
Ricotta:	Total	Mil. lb.	34.6	58.1	65.4	72.0	71.2	81.3
	Per capita	Lb.	.18	.28	.32	.35	.34	.38
Other:	Total	Mil. lb.	6.3	15.3	17.0	19.2	18.5	16.0
	Per capita	Lb.	.03	.08	.08	.09	.09	.08

PER CAPITA CHEESE CONSUMPTION AND SALES

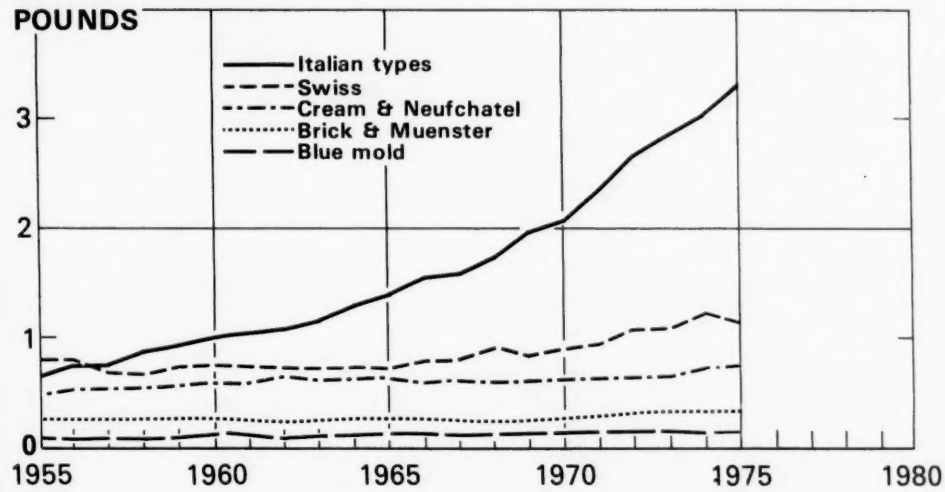


USDA

Figure 11

NEG. ERS 8371- 76 (9)

PER CAPITA CONSUMPTION OF OTHER CHEESE



USDA

Figure 12

NEG. ERS 8370- 76 (9)

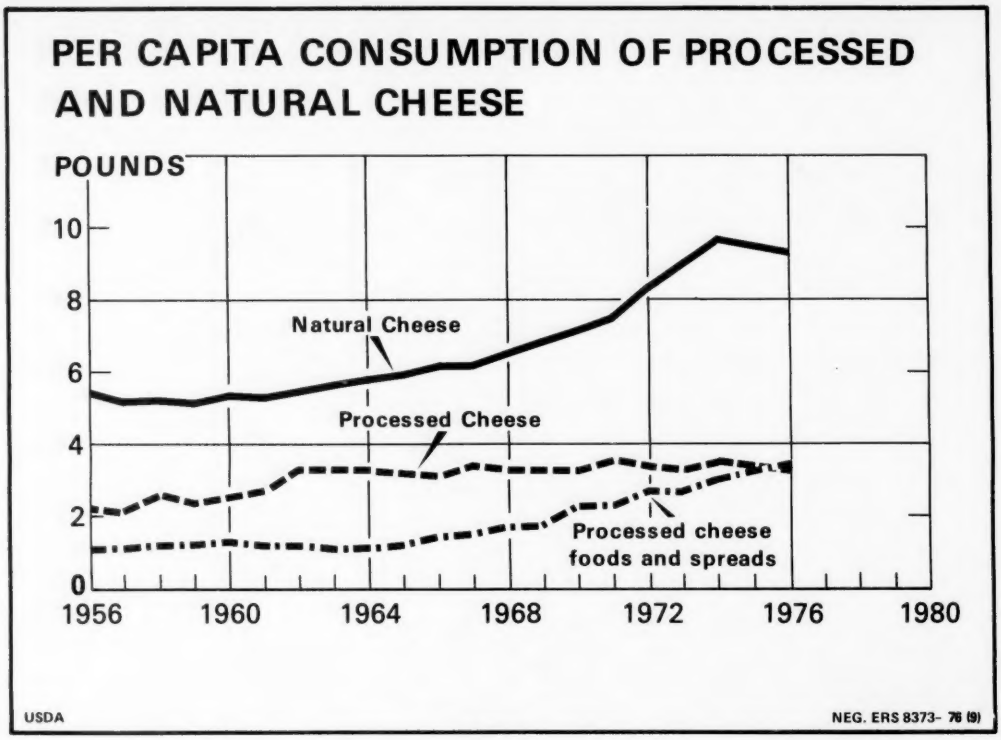


Figure 13

Table 9--Estimated per capita civilian consumption of processed and natural cheese, United States, selected years, 1956-75

Year	Processed	Processed foods and spreads 1/	Total processed and products 2/	Natural 3/	Total natural equivalent
			Pounds		
1956	2.2	1.1	3.3	5.4	8.0
1960	2.5	1.3	3.8	5.3	8.4
1965	3.2	1.2	4.4	5.9	9.5
1970	3.3	2.3	5.6	7.1	11.5
1971	3.6	2.3	5.9	7.5	12.1
1972	3.4	2.7	6.1	8.3	13.2
1973	3.3	2.7	6.1	8.9	13.7
1974	3.5	3.0	6.4	9.6	14.6
1975	3.3	3.4	6.7	9.3	14.5

1/ Includes cold pack; excludes spreads from Neufchatel and Cream cheese. 2/ May not add due to rounding. 3/ Consumed in this form.

still up more than a half during the past 10 years. Some of the factors behind the solid growth in cheese demand include rising consumer incomes, growth in the away-from-home market for such items as pizza, cheeseburgers, etc., increased nutritional awareness, greater knowledge of the diversity of cheese types and their uses, and increased promotion of cheese.

Estimated per capita civilian consumption of Cheddar and other American cheese, United States, 1950-75

Year	Cheddar	Other American[1]	Total American types
	Pounds	*Pounds*	*Pounds*
1950	5.2	0.3	5.5
1955	4.9	.5	5.4
1960	4.8	.6	5.4
1961	4.9	.8	5.7
1962	5.3	.8	6.1
1963	5.2	.9	6.1
1964	5.3	.9	6.2
1965	5.3	.9	6.2
1966	5.0	1.2	6.2
1967	5.2	1.2	6.4
1968	5.4	1.2	6.6
1969	5.7	1.1	6.7
1970	5.9	1.2	7.1
1971	6.0	1.4	7.4
1972	6.1	1.7	7.8
1973	6.2	1.8	8.0
1974	6.4	2.2	8.6
1975	6.2	2.1	8.3

[1] Colby, washed or stirred curd, high and low moisture jack, Monterey and granular.

Per person use of American cheese dropped from 8.6 pounds in 1974 to 8.3 pounds in 1975. Both Cheddar and other-American types (Colby, Monterey, and various types primarily used for processing) declined, to 6.2 and 2.1 pounds, respectively. The proportion of American cheese use accounted for by Cheddar did not drop in 1975, for the first time since 1969.

Another large rise in Mozzarella sales led per capita consumption of Italian varieties to a new high (table 7 and figure 12). Besides the gain in sales of Mozzarella (the predominant pizza cheese), Ricotta use was up slightly while consumption of Provolone and the grating cheeses just kept pace with population growth (table 8).

Per capita sales of Swiss cheese slipped last year for the first time in 6 years. Less Brick cheese, sold mostly in the Midwest, was eaten per person but other types rose slightly or held their own.

Both natural and processed cheese consumption per person slipped last year, while more processed cheese foods and spreads were used (table 9 and figure 13). Consumers very well may have shifted to the generally less expensive foods and spreads as an economy measure. Over the past 10 years, natural cheese and the cheese foods and spreads have been consumed in much larger quantities while per person consumption of processed cheese remained about the same.

Federal Order Summary—First Half of 1976[1]

Almost 125,000 producers delivered over 37½ billion pounds of milk to handlers regulated under Federal milk orders during the first half of 1976, approximately 64 percent of the total milk marketed in the United States. Producer deliveries at Federal order plants during January through June were 4½ percent above the first half of the previous year. Average daily deliveries per producer increased by 6.4 percent to 1,658 pounds during the first half of 1976, more than offsetting the 1.7-percent decrease in producer numbers. Expansion of existing marketing areas helped keep the total decline in producer numbers below the average of past years.

Contributing to the total increase in producer deliveries was a gain of over 9 percent in average daily deliveries per producer in the Chicago Regional market. In addition, the number of producers delivering to the Chicago order increased slightly, reflecting the shift to one grade of milk and the association of these newly qualified Grade A producers with Federal order pools in order to share in the higher-valued fluid proceeds. Other orders in the north central area also showed sizable increases in producer deliveries for the same reason.

Producer milk used in Class I during January-June also increased over 1975. However, the 1.6-percent increase in Class I sales did not keep pace with the increase in producer deliveries and the Class I utilization percentage declined from 55 to 54 percent.

Sales of lowfat and skim milk items are still increasing as the shift from whole milk to lowfat and skim milk products continues. During the first half of 1976, lowfat and skim milk items accounted for one-third of the total sales of fluid milk and fluid cream items by handlers regulated by Federal orders. The continuing strong demand for lowfat and skim milk items was the reason for the gain in Class I sales as whole milk sales declined slightly.

Cheese was the major use of reserve milk supplies in Federal order markets, accounting for over 40 percent of the milk, skim milk, and cream uti-

[1] Prepared by Eugene E. Krueger, Dairy Division, AMS, USDA.

lized in the various manufactured products. This total was more than 15 percent greater than that used in cheese during the first half 1975.

Minimum Class I prices in Federal order markets, reflecting advances in the M-W price, averaged $10.78 per hundredweight during the first half of this year, $1.84 over the January-June 1975 average. These prices peaked in February, when the average Class I price exceeded $11.00 for the first time in history. Producer blend prices during the January-June period averaged $9.68, up $1.66 from the same period last year, reflecting higher minimum prices for milk used in both fluid and manufacturing uses.

Estimated over-order payments averaged 25 cents per hundredweight during the first half of 1976. This was down from an average of close to $1.00 during the last half of 1974 and an average of over 75 cents during the first half of 1975.

Mergers and Expansions. The trend toward fewer and larger markets continued during the first half of 1976 through the merging of existing orders and expansion into previously unregulated areas. In April, the Boston Regional and Connecticut Federal order areas were combined into a single "New England" order. During the same month, both the New Orleans and Northern Louisiana orders were expanded into unregulated areas and redesignated as "New Orleans—Mississippi" and "Greater Louisiana," respectively. In June, four markets in the Minnesota area, a portion of the Eastern South Dakota market, and additional unregulated areas were combined into an "upper Midwest" order. At the same time, previously unregulated areas were added to the Eastern South Dakota marketing area.

These actions reduced the number of Federal marketing areas from 56 to 52 encompassing 149 million people. The present number will be further reduced to 50 in October when the merger and expansion of the Appalachian, Chattanooga, and Knoxville orders into a single "Tennessee Valley" order is to become effective.

In another action pending, a hearing to merge four orders in Iowa has been held and a recommended decision on the issue is expected to be issued shortly.

FOREIGN TRADE AND DAIRY TRENDS

Dairy Imports Slightly Higher; Powder Exports Pick Up

Imports of dairy products during the first 7 months of 1976 were similar to 1970-72, although they were somewhat above 1975. January-July imports were equivalent to 0.9 billion pounds of milk, up a third from a year earlier but still a very minor proportion of domestic dairy supplies (table-10).

U.S. dairy trade (milk equivalent)

Year and quarter	Imports	Exports	Shipments[1]	Net Imports
	Million pounds			
1975				
1st	348	120	117	111
2nd	232	164	146	-78
3rd	368	128	122	118
4th	721	134	111	476
Year[2]	1,669	546	495	628
1976				
1st	421	132	140	149
2nd	372	144	129	99

[1] To U.S. territories. [2] May not add due to rounding.

Most of the recovery in total imports was due to larger imports of both quota and non-quota cheese. Almost 92 million pounds of cheese were imported during January-July, up about a fourth from 1975's reduced levels but up less than 10 million pounds from the 1970-72 average. Thus far in 1976, the dampening effect of price increases resulting from the various reductions in foreign export subsidies has been less than the bolstering effects of the brisk sales and higher prices of domestic cheese. However, these price rises for imported cheese have been an important limiting factor.

Among other quota products, imports of butterfat mixtures and frozen cream were considerably higher, but most of the quotas for these products have now been filled. More chocolate crumb and animal feed with milk solids but less dry buttermilk came into the country.

Casein imports during the first 7 months of 1976 ran at about typical historical levels, even though more than double last year. Heavy domestic production and low domestic prices of lactose, the other non-quota item, sharply reduced imports from last year's high levels.

U.S. dairy exports have remained small this year, except for nonfat dry milk. Exports of nonfat dry milk picked up this summer as powder donated under the Food for Peace program (PL 480) started to move out of the country. January-July exports of nonfat dry milk totaled almost 77 million pounds, down from 111 million pounds in 1975. However, exports for all of 1976 probably will exceed a year ago.

Commercial exports of dairy products remained very small. The milkfat equivalent of 0.3 billion pounds of milk was exported during the first 7 months of the year, virtually unchanged from 1975.

Table 10--Dairy products: U.S. imports, quota and non-quota, total 1975, and January-July, 1975-76 1/

Product	Calendar year quota	1975 imports	July			Cumulative, January-July		
			1975	1976	1976 as a % of 1975	1975	1976	1976 as a % of 1975
	Thou. lb.	Thou. lb.	Thou. lb.	Thou. lb.	Pct.	Thou. lb.	Thou. lb.	Pct.
Cheese, quota types								
American-Cheddar	10,037.5	10,600	10	21	210	1,928	1,095	57
-Other	6,096.6	6,033	4	10	250	59	717	1,215
Italian-Original loaves	11,500.1	10,173	568	1,716	302	3,249	6,784	209
-Other	1,494.0	1,232	150	176	117	588	720	122
Edam and Gouda-Natural	9,200.4	(9,207)	(578)	(582)	(101)	(4,342)	(4,204)	(97)
-Processed	3,151.0	( )	( )	( )	( )	( )	( )	( )
Blue Mold	5,017.0	4,564	516	352	68	2,036	1,898	93
Swiss-Emmenthaler, -98¢ *	20,420.0	10,473	938	1,641	175	5,264	7,999	152
-Gruyere-process, -98¢ *	11,242.0	6,829	381	761	200	2,008	3,275	163
Other-Over 0.5% fat, -98¢ *	40,730.0	25,832	1,784	1,496	84	5,444	7,305	134
-Under 0.5% fat	8,901.0	6,667	906	171	19	2,357	2,178	92
Total	127,789.6	91,610	5,835	6,927	119	27,275	36,176	133
Cheese, non-quota types								
Swiss-Emmenthaler, 98¢ + *		36,279	3,672	4,046	110	18,552	24,333	131
-Gruyere-process, 98¢ + *		5,321	825	937	114	2,594	3,304	127
Other, 98¢ + *		26,155	1,957	2,386	122	13,719	16,831	123
Pecorino		17,114	773	1,043	135	10,169	9,254	91
Roquefort		1,392	116	152	131	705	857	122
Other 2/		1,557	225	363	161	756	1,114	147
Total		87,818	7,568	8,927	118	46,495	55,693	120
Other quota products								
Butter	707.0	526	79	39	49	270	303	112
Butteroil	1,200.0	1,200	---	---	---	1,200	1,200	100
Butterfat mixtures	2,580.0	1,828	---	488	---	2	1,893	94,650
Ice cream	3,377.3	---	---	---	---	---	---	---
Frozen cream	12,540.0	12,352	854	225	26	5,322	10,392	195
Nonfat dry milk	1,807.0	2,465	35	---	---	1,088	1,112	102
Dried buttermilk	496.0	783	355	---	---	783	137	18
Evaporated milk	1,312.0	455	---	---	---	418	1	---
Condensed milk	4,079.0	445	18	99	550	307	243	79
Chocolate crumb-Regular	17,000.0	2,323	---	38	---	300	2,495	832
-Lowfat	4,680.0	2,086	240	80	33	240	581	242
Animal feed with milk solids	16,300.0	15,795	1,304	2,060	158	4,421	7,105	161
Non-quota products								
Casein		58,444	4,663	8,315	178	24,692	55,436	225
Lactose		5,501	45	176	391	5,233	622	12
Milk equivalent, fat solids basis total all products	1,305,620	1,668,680	116,019	138,264	119	695,868	933,609	134

1/ Preliminary. 2/ Gjetost, Bryndza, Gammelost and Noekkelost, and Goya.
*Price break effective April 14, 1976.

More dry whole milk, slightly more canned milk and cheese, but less butter was exported.

Another 0.3 billion pounds milk equivalent were shipped to U.S. territories during January-July, up slightly from a year before. Almost all products were shipped in somewhat larger quantities this year.

World Dairy Summary

Drought conditions have caused a dramatic turnaround in Western European milk production, as July deliveries in many countries fell below a year earlier for the first time in almost 2 years. However, milk output for all of 1976 is still expected to be up, due to the very sharp rises during the first half of the year.

Among other major producing countries, Canada has taken strong measures to curtail production and these are expected to reduce output. Eastern European output this year may be close to 1974 and 1975. Recent producer returns in Oceania have been unfavorable due to depressed world prices for dairy products. Combined with a drought and policy decisions, this has reduced Australian milk output and likely will result in lower output in the coming dairy season. New Zealand recently ended its dairy year posting sizable production gains because of good forage conditions.

Most of the increase in Western European milk production during the first half of 1976 went into butter output, which was up about 14 percent. Cheese production in that area was about the same as a year ago. With the drop in July deliveries, both butter and cheese output fell below a year earlier. By late spring, Canada's efforts to reduce milk production resulted in less butter and cheese output than a year before; however, the total for the first half was greater. New Zealand produced more butter and cheese than a year ago while Australia had less of both products.

In July, butter stocks under EC intervention programs were almost 900 million pounds, up more than 40 percent from 1975, which reflected the jumps in output. EC cheese stocks were mixed. Canadian butter stocks were relatively very large while cheese holdings were somewhat lower.

World dairy markets continue to be plagued by vast supplies of nonfat dry milk. January-June production in the EC was up a sixth and other parts of Western Europe and Canada also produced more. Lower milk production in Australia and more diversion to casein in New Zealand resulted in lower Oceanic output. EC intervention stocks exceeded 3 billion pounds in July, up a half from 1975, while Canadian stocks almost doubled last year. While dropping milk production in some countries will help to ease some of the pressure on world markets, it probably will be a couple years before a rebalancing of international market conditions could occur.

The diversion of skim milk away from nonfat dry milk in New Zealand resulted in a doubling of casein production in early 1976. Australian output was also up while Western European production was down somewhat. The increased output has resulted in low world prices for casein. Casein production and prices are strongly tied to conditions in the international markets for nonfat dry milk since nonfat dry milk is generally the preferred use for skim milk.

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Table 11.--U.S. Dairy Situation at a Glance

Item	Unit or base period	1974	1975					1976		
		July	May	June	July	August	Year	May	June	July
Production and cow numbers:										
Total milk	Mil. lb.	10,169	10,818	10,435	9,967	9,588	115,458	11,134	10,865	10,448
Milk per cow	Lb.	908	968	936	894	861	10,354	1,011	982	946
Number of milk cows	Thou.	11,202	11,172	11,153	11,148	11,139	11,151	11,061	11,061	11,050
Prices received by farmers:										
All milk, sold to plants, 100 pounds	Dol.	7.62	8.07	7.99	8.25	8.64	8.75	9.23	9.11	9.41
Percentage of parity 1/	Pct.	77	76	75	77	78	77	80	80	82
Manufacturing grade milk, 100 pounds	Dol.	6.31	7.07	7.09	7.27	7.63	7.63	8.31	8.32	8.50
Parity equivalent	Dol.	8.47	9.39	9.47	9.47	9.56	9.44	10.03	10.25	10.25
Fat content	Pct.	3.51	3.60	3.55	3.53	3.54	3.66	3.58	3.53	3.51
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol.	6.29	7.02	7.11	7.35	7.70	7.62	8.30	8.32	8.71
Milk eligible for fluid market, 100 pounds	Dol.	8.00	8.33	8.24	8.51	8.89	9.02	9.50	9.35	9.63
Price ratios and dairy ration values:										
Milk-feed	Lb.	1.30	1.30	1.30	1.34	1.36	1.39	1.51	1.42	1.51
Manufacturing grade milk-hog	Lb.	.18	.16	.15	.14	.14	.16	.17	.17	.18
Manufacturing grade milk-beef cattle	Lb.	.18	.19	.18	.21	.24	.24	.23	.23	.26
Value of concentrate ration fed milk cows	Dol.	5.88	6.20	6.14	6.16	6.34	6.25	6.11	6.43	6.63
Farm cash receipts from dairy products	Mil. dol.	761	856	822	817	817	9,866	1,013	980	963
Production of factory products:										
Creamery butter	Mil. lb.	80.8	101.6	88.0	69.4	57.7	980.5	94.0	84.0	72.4
American cheese, whole milk	Mil. lb.	165.2	170.3	169.4	150.1	131.8	1,654.5	204.1	207.3	189.0
Cheese, other than American	Mil. lb.	87.2	100.7	105.6	99.1	95.1	1,156.7	109.5	112.8	107.6
Canned milk, unskimmed	Mil. lb.	102.7	98.3	99.4	90.0	79.1	953.8	89.5	97.7	87.6
Dry whole milk	Mil. lb.	5.7	7.1	8.2	5.3	5.4	63.1	9.8	8.0	6.5
Frozen products 2/	Mil. gal.	123.0	112.7	123.8	128.6	119.0	1,176.0	100.6	118.1	119.2
Creamed cottage cheese	Mil. lb.	75.0	79.0	76.8	76.6	71.3	861.7	77.6	78.8	76.7
Total whole milk equivalent 3/	Mil. lb.	5,611	5,988	5,904	5,291	4,687	59,219	6,085	6,176	5,719
Nonfat dry milk, human use	Mil. lb.	113.7	126.3	121.9	92.7	69.1	994.0	104.9	108.9	94.7
Wholesale prices:										
Butter, 92-score, Chicago, pound	Ct.	60.8	69.2	69.2	76.6	83.6	79.4	89.9	95.0	105.8
Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound	Ct.	71.2	80.6	82.4	84.8	89.8	86.6	94.9	95.5	100.1
Evaporated milk, case (mid-point of range)	Dol.	11.93	12.08	11.98	12.03	12.08	12.27	13.54	13.75	13.79
Dry whole milk, pound	Ct.	60.8	65.0	65.9	67.5	70.6	71.0	77.9	78.1	79.6
Nonfat dry milk, pound	Ct.	56.9	60.5	60.7	60.7	62.0	63.3	62.8	62.8	62.8
Dairy products and ice cream index (BLS)	1967=100	141.7	149.6	150.5	153.2	156.3	155.8	167.1	167.0	170.0
Retail prices (BLS):										
Milk, fresh, grocery, half-gallon	Ct.	78.4	77.4	77.2	77.0	77.0	78.5	82.0	82.2	81.9
Evaporated milk, 14½-ounce can	Ct.	29.2	30.4	30.4	30.4	30.4	30.8	34.1	34.2	34.3
Cheese, American, processed, sliced, ½-pound package	Ct.	72.3	74.2	74.3	75.1	76.5	76.8	85.7	85.8	85.8
Butter, pound	Ct.	90.3	95.3	95.7	95.7	101.9	102.5	120.6	121.1	125.9
Ice cream, half-gallon	Ct.	108.4	121.5	121.3	121.3	121.1	122.3	125.3	126.7	125.2
Dairy products index	1967=100	151.6	153.6	153.3	153.4	154.3	156.6	167.4	167.9	168.0
All foods index	1967=100	160.5	171.8	174.4	178.6	178.1	175.4	179.9	180.9	182.1
Margarine, colored, pound	Ct.	54.5	63.4	60.4	59.2	58.5	62.9	51.6	51.1	51.1
Stocks, end of month:										
Creamery butter	Mil. lb.	130.7	85.1	99.6	97.8	78.9	---	69.1	80.9	81.9
Cheese, total 4/	Mil. lb.	566.0	453.2	473.5	485.1	461.4	---	435.7	480.6	513.7
Canned milk, unskimmed	Mil. lb.	156.6	84.2	104.1	114.7	105.6	---	104.4	126.0	141.8
Dry whole milk	Mil. lb.	13.4	7.5	7.1	6.7	7.3	---	10.4	10.6	11.7
Total whole milk equivalent 5/	Mil. lb.	8,484	6,277	6,859	6,908	6,279	---	5,846	6,570	6,949
Nonfat dry milk	Mil. lb.	225.0	382.7	441.3	489.3	529.5	---	463.6	479.5	497.2
Commercial disappearance:										
Creamery butter	Mil. lb.	72.0	77.8	76.6	72.9	77.9	947.7	70.0	72.5	70.0
Cheese, American	Mil. lb.	160.3	150.0	145.9	142.0	159.5	1,717.0	161.0	162.8	153.7
Cheese, other than American	Mil. lb.	110.5	108.6	112.7	113.1	108.6	1,331.8	120.3	123.7	119.5
Canned milk, unskimmed	Mil. lb.	71.5	72.5	77.3	76.9	86.6	950.8	60.3	74.7	73.0
Milk in all products	Mil. lb.	9,769	9,847	9,719	9,782	10,144	113,714	10,037	9,991	9,852
Nonfat dry milk	Mil. lb.	59.9	41.7	45.2	74.7	90.5	689.5	66.0	63.3	67.8
USDA net removals:										
Butter	Mil. lb.	9.4	21.8	8.1	2.3	-17.4	63.4	---	---	---
Cheddar cheese	Mil. lb.	4.2	10.6	6.8	4.8	.1	68.2	1.1	3.1	6.2
Nonfat dry milk	Mil. lb.	52.5	73.9	84.2	37.8	.5	394.5	16.0	22.5	27.6
Evaporated milk	Mil. lb.	2.1	1.9	2.3	2.4	1.8	24.5	1.7	1.3	1.0
Total whole milk equivalent	Mil. lb.	242	559	240	101	-355	2,036	15	33	64
Fluid sales, change from year earlier: 6/										
Whole milk	Pct.	-6.2	-1.4	-0.2	-0.5	-1.3	-1.0	-2.3	-3.7	
Cream and cream mixtures	Pct.	+4.7	+4.7	+11.2	+5.9	-.8	+5.1	+1.3	+3.5	
Low-fat and skim milk	Pct.	+3.4	+10.0	+10.1	+8.1	+7.9	+9.9	+7.1	+5.8	
Total	Pct.	-3.4	+2.1	+2.9	+2.2	+1.5	+2.4	+.7	-.7	

1/ Seasonally adjusted price as percentage of parity price.
2/ Ice cream, ice milk, and sherbet.
3/ Includes manufactured products for which current monthly series are available.
4/ Natural, plus process American cheese held by CCC.
5/ Excludes cream and bulk condensed milk.
6/ Daily average sales in Federal and State Marketing areas.

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